

Therefore, the amount payable under Section 23(1A) of the 1894 Act is an additional compensation in respect to the acquisition and has to be reckoned as part of the market value of the land."

The learned counsel for respondents submitted that as this court has treated additional amount under Section 23(1A) as part of the market value, additional amount is payable on the solatium. There is no logic in the contention as the decision nowhere holds that solatium is part of market value nor holds that additional amount under Section 23(1A) is payable on the solatium amount. Be that as it may. More importantly, what requires to be noticed is that the entire consideration and analysis in that decision was with reference to the question whether solatium, additional amount and interest are part of 'enhanced compensation' for the purposes of Section 45(5)(b) of the Income Tax Act, 1961. The observations therein should be understood in the context of the provisions of the Income Tax Act. For example the decision also holds that interest payable under Section 28 of the Act is 'enhanced compensation' for the purposes of Section 45(5)(b) of Income Tax Act, which if taken as the interpretation with reference to the Land Acquisition Act, 1894, will be contrary to the constitution bench decision in Sunder (supra). We may also note that the decision clearly holds that additional amount is awardable only against the market value and not solatium:

"It is clear from reading of Sections 23(1A), 23(2) as also Section 28 of the 1894 Act that additional benefits are available on the market value of the acquired lands under Section 23(1A) and 23(2) whereas Section 28 is available in respect of the entire compensation."

9. In view of the above, the appeal is allowed, the orders of the High Court and the Executing Court, in so far as they hold that additional amount under Section 23(1A) is payable on solatium, are set aside. It is declared that additional amount under Section 23(1A) is awardable only on the market value determined under the first factor of Section 23(1) of the Act and cannot be calculated on the solatium payable under Section 23(2) of the Act.

**Appeal allowed.**

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### SUPREME COURT OF INDIA

**Before: Markandey Katju & Gyan Sudha Mishra, JJ.**

Civil Appeal No.1132 /2011 @ SLP(C)  
No.3109/2011

Decided on: 28.01.2011

(Arising out of Special Leave Petition (Civil) CC  
No. 19869 of 2010)

Jagpal Singh & Ors.

Appellants

Versus

State of Punjab & Ors.

Respondents

**A. Punjab Village Common Lands (Regulation) Act, 1961 (18 of 1961), Section 2(g), 5, 7 – Gram Sabha land -- Unauthorised occupants -- Trespassers illegally encroached on to the Gram Panchayat land by using muscle power/money power and in collusion with the officials and**

even with the Gram Panchayat – Held, such kind of blatant illegalities must not be condoned -- Even if the appellants have built houses on the land in question they must be ordered to remove their constructions, and possession of the land in question must be handed back to the Gram Panchayat.

(Para 13)

B. Punjab Village Common Lands (Regulation) Act, 1961 (18 of 1961), Section 2(g), 5, 7 – Gram Sabha land -- Unauthorised occupants – Regularization of -- Letter dated 26.9.2007 of the Government of Punjab permitting regularization of possession of unauthorized occupants is not valid – Held, such letters are wholly illegal and without jurisdiction -- Such illegalities cannot be regularized -- Common interest of the villagers cannot be allow to suffer merely because the unauthorized occupation has subsisted for many years.

(Para 13)

C. Punjab Village Common Lands (Regulation) Act, 1961 (18 of 1961), Section 2(g), 5, 7 – Gram Sabha land -- Unauthorised occupants – Compounding of -- Ordinarily, compounding in such cases should only be allowed where the land has been leased to landless labourers or members of Scheduled Castes/Scheduled Tribes, or the land is actually being used for a public purpose of the village e.g. running a school for the villagers, or a dispensary for them.

(Para 14)

D. Punjab Village Common Lands (Regulation) Act, 1961 (18 of 1961), Section 2(g), 5, 7 – Unauthorised occupation – Regularization of -- In many states Government orders have been issued by the State Government permitting allotment of Gram Sabha land to private persons and commercial enterprises on payment of some money – Held, all such Government orders are illegal, and should be ignored.

(Para 15)

E. Punjab Village Common Lands (Regulation) Act, 1961 (18 of 1961), Section 2(g), 5, 7 – Pond -- Unauthorised occupation – Regularization of -- Land recorded as a pond must not be allowed to be allotted to anybody for construction of a house or any allied purpose. Hinch Lal Tiwari's case AIR 2001 SC 3215 followed.

(Para 16)

F. Punjab Village Common Lands (Regulation) Act, 1961 (18 of 1961), Section 2(g), 5, 7 – Shamilat deh -- Unauthorised occupation – Eviction of -- Regularization of -- Directions given to all the State Governments in the country that they should prepare schemes for eviction of illegal/unauthorized occupants of Gram Sabha/Gram Panchayat/Poramboke/Shamlat land and these must be restored to the Gram Sabha/Gram Panchayat for the common use of villagers of the village -- Said scheme should provide for the speedy eviction of such illegal occupant, after giving him a show cause notice and a brief hearing -- Long duration of such illegal occupation or huge expenditure in making constructions thereon or political connections must not be treated as a

**justification for condoning this illegal act or for regularizing the illegal possession -- Regularization should only be permitted in exceptional cases e.g. where lease has been granted under some Government notification to landless labourers or members of Scheduled Castes/Scheduled Tribes, or where there is already a school, dispensary or other public utility on the land.**

Before parting with this case we give directions to all the State Governments in the country that they should prepare schemes for eviction of illegal/unauthorized occupants of Gram Sabha/Gram Panchayat/Poramboke/Shamlat land and these must be restored to the Gram Sabha/Gram Panchayat for the common use of villagers of the village. For this purpose the Chief Secretaries of all State Governments/Union Territories in India are directed to do the needful, taking the help of other senior officers of the Governments. The said scheme should provide for the speedy eviction of such illegal occupant, after giving him a show cause notice and a brief hearing. Long duration of such illegal occupation or huge expenditure in making constructions thereon or political connections must not be treated as a justification for condoning this illegal act or for regularizing the illegal possession. Regularization should only be permitted in exceptional cases e.g. where lease has been granted under some Government notification to landless labourers or members of Scheduled Castes/Scheduled Tribes, or where there is already a school, dispensary or other public utility on the land.

Let a copy of this order be sent to all Chief Secretaries of all States and Union Territories in India who will ensure strict and prompt compliance of this order and submit compliance reports to this Court from time to time.

Although we have dismissed this appeal, it shall be listed before this Court from time to time (on dates fixed by us), so that we can monitor implementation of our directions herein. List again before us on 3.5.2011 on which date all Chief Secretaries in India will submit their reports.

**(Para 22-24)**

**Cases referred:**

1. Chigurupati Venkata Subbayya v. Paladuge Anjayya, 1972(1) SCC 521 (529).
2. M.I. Builders (P) Ltd. v. Radhey Shyam Sahu, 1999(6) SCC 464.
3. Friends Colony Development Committee v. State of Orissa, 2004 (8) SCC 733.
4. Hinch Lal Tiwari v. Kamala Devi, AIR 2001 SC 3215.
5. L. Krishnan v. State of Tamil Nadu, 2005(4) CTC 1.

**JUDGMENT**

**MARKANDEY KATJU, J.—**

1. Leave granted.
2. Heard learned counsel for the appellants.

3. Since time immemorial there have been common lands inhering in the village communities in India, variously called gram sabha land, gram panchayat land, (in many North Indian States), shamlat deh (in Punjab etc.), mandaveli and poramboke land (in South India), Kalam, Maidan, etc., depending on the nature of user. These public utility lands in the villages were for centuries used for the common benefit of the villagers of the village such as

ponds for various purposes e.g. for their cattle to drink and bathe, for storing their harvested grain, as grazing ground for the cattle, threshing floor, maidan for playing by children, carnivals, circuses, ramlila, cart stands, water bodies, passages, cremation ground or graveyards, etc. These lands stood vested through local laws in the State, which handed over their management to Gram Sabhas/Gram Panchayats. They were generally treated as inalienable in order that their status as community land be preserved. There were no doubt some exceptions to this rule which permitted the Gram Sabha/Gram Panchayat to lease out some of this land to landless labourers and members of the scheduled castes/tribes, but this was only to be done in exceptional cases.

4. The protection of commons rights of the villagers were so zealously protected that some legislation expressly mentioned that even the vesting of the property with the State did not mean that the common rights of villagers were lost by such vesting. Thus, in **Chigurupati Venkata Subbaya vs. Paladuge Anjaya, 1972(1) SCC 521 (529)** this Court observed:

“It is true that the suit lands in view of Section 3 of the Estates Abolition Act did vest in the Government. That by itself does not mean that the rights of the community over it were taken away. Our attention has not been invited to any provision of law under which the rights of the community over those lands can be said to have been taken away. The rights of the community over the suit lands were not created by the landholder. Hence those rights cannot be said to have been abrogated by Section 3© of the Estates Abolition Act.”

5. What we have witnessed since Independence, however, is that in large parts of the country this common village land has been grabbed by unscrupulous persons using muscle power, money power or political clout, and in many States now there is not an inch of such land left for the common use of the people of the village, though it may exist on paper. People with power and pelf operating in villages all over India systematically encroached upon communal lands and put them to uses totally inconsistent with its original character, for personal aggrandizement at the cost of the village community. This was done with active connivance of the State authorities and local powerful vested interests and goondas. This appeal is a glaring example of this lamentable state of affairs.

6. This appeal has been filed against the impugned judgment of a Division Bench of the Punjab and Haryana High Court dated 21.5.2010. By that judgment the Division Bench upheld the judgment of the learned Single Judge of the High Court dated 10.2.2010.

7. It is undisputed that the appellants herein are neither the owner nor the tenants of the land in question which is recorded as a pond situated in village Rohar Jagir, Tehsil and District Patiala. They are in fact trespassers and unauthorized occupants of the land relating Khewat Khatuni No. 115/310, Khasra No. 369 (84-4) in the said village. They appear to have filled in the village pond and made constructions thereon.

8. The Gram Panchayat, Rohar Jagir filed an application under Section 7 of the Punjab Village Common Lands (Regulation) Act, 1961 to evict the appellants herein who had unauthorizedly occupied the aforesaid land. In its petition the Gram Panchayat, Rohar Jagir alleged that the land in question

belongs to the Gram Panchayat, Rohar as is clear from the revenue records. However, the respondents (appellants herein) forcibly occupied the said land and started making constructions thereon illegally. An application was consequently moved before the Deputy Commissioner informing him about the illegal acts of the respondents (appellants herein) and stating that the aforesaid land is recorded in the revenue records as Gair Mumkin Toba i.e. a village pond. The villagers have been using the same, since drain water of the village falls into the pond, and it is used by the cattle of the village for drinking and bathing. Since the respondents (appellants herein) illegally occupied the said land an FIR was filed against them but to no avail. It was alleged that the respondents (appellants herein) have illegally raised constructions on the said land, and the lower officials of the department and even the Gram Panchayat colluded with them.

9. Instead of ordering the eviction of these unauthorized occupants, the Collector, Patiala surprisingly held that it would not be in the public interest to dispossess them, and instead directed the Gram Panchayat, Rohar to recover the cost of the land as per the Collector's rates from the respondents (appellants herein). Thus, the Collector colluded in regularizing this illegality on the ground that the respondents (appellants herein) have spent huge money on constructing houses on the said land.

10. Some persons then appealed to the learned Commissioner against the said order of the Collector dated 13.9.2005 and this appeal was allowed on 12.12.2007. The Learned Commissioner held that it was clear that the Gram Panchayat was colluding with these respondents (appellants herein), and it had not even opposed the order passed by the Collector in which directions were issued to the Gram Panchayat to transfer the property to these persons, nor filed an appeal against the Collector's order.

11. The learned Commissioner held that the village pond has been used for the common purpose of the villagers and cannot be allowed to be encroached upon by any private respondents, whether Jagirdars or anybody else. Photographs submitted before the learned Commissioner showed that recent attempts had been made to encroach into the village pond by filling it up with earth and making new constructions thereon. The matter had gone to the officials for removal of these illegal constructions, but no action was taken for reasons best known to the authorities at that time. The learned Commissioner was of the view that regularizing such kind of illegal encroachment is not in the interest of the Gram Panchayat. The learned Commissioner held that Khasra No. 369 (84-4) is a part of the village pond, and the respondents (appellants herein) illegally constructed their houses at the site without any jurisdiction and without even any resolution of the Gram Panchayat.

12. Against the order of the learned Commissioner a Writ Petition was filed before the learned Single Judge of the High Court which was dismissed by the judgment dated 10.2.2010, and the judgment of learned Single Judge has been affirmed in appeal by the Division Bench of the High Court. Hence this appeal.

13. We find no merit in this appeal. The appellants herein were trespassers who illegally encroached on to the Gram Panchayat land by using muscle power/money power and in collusion with the officials and even with the Gram Panchayat. We are of the opinion that such kind of blatant illegalities

must not be condoned. Even if the appellants have built houses on the land in question they must be ordered to remove their constructions, and possession of the land in question must be handed back to the Gram Panchayat. Regularizing such illegalities must not be permitted because it is Gram Sabha land which must be kept for the common use of villagers of the village. The letter dated 26.9.2007 of the Government of Punjab permitting regularization of possession of these unauthorized occupants is not valid. We are of the opinion that such letters are wholly illegal and without jurisdiction. In our opinion such illegalities cannot be regularized. We cannot allow the common interest of the villagers to suffer merely because the unauthorized occupation has subsisted for many years.

**14.** In **M.I. Builders (P) Ltd. vs. Radhey Shyam Sahu, 1999(6) SCC 464** the Supreme Court ordered restoration of a park after demolition of a shopping complex constructed at the cost of over Rs.100 crores. In **Friends Colony Development Committee vs. State of Orissa, 2004 (8) SCC 733** this Court held that even where the law permits compounding of unsanctioned constructions, such compounding should only be by way of an exception. In our opinion this decision will apply with even greater force in cases of encroachment of village common land. Ordinarily, compounding in such cases should only be allowed where the land has been leased to landless labourers or members of Scheduled Castes/Scheduled Tribes, or the land is actually being used for a public purpose of the village e.g. running a school for the villagers, or a dispensary for them.

**15.** In many states Government orders have been issued by the State Government permitting allotment of Gram Sabha land to private persons and commercial enterprises on payment of some money. In our opinion all such Government orders are illegal, and should be ignored.

**16.** The present is a case of land recorded as a village pond. This Court in **Hinch Lal Tiwari vs. Kamala Devi, AIR 2001 SC 3215** (followed by the Madras High Court in **L. Krishnan vs. State of Tamil Nadu, 2005(4) CTC 1 Madras**) held that land recorded as a pond must not be allowed to be allotted to anybody for construction of a house or any allied purpose. The Court ordered the respondents to vacate the land they had illegally occupied, after taking away the material of the house. We pass a similar order in this case.

**17.** In this connection we wish to say that our ancestors were not fools. They knew that in certain years there may be droughts or water shortages for some other reason, and water was also required for cattle to drink and bathe in etc. Hence they built a pond attached to every village, a tank attached to every temple, etc. These were their traditional rain water harvesting methods, which served them for thousands of years.

**18.** Over the last few decades, however, most of these ponds in our country have been filled with earth and built upon by greedy people, thus destroying their original character. This has contributed to the water shortages in the country.

**19.** Also, many ponds are auctioned off at throw away prices to businessmen for fisheries in collusion with authorities/Gram Panchayat officials, and even this money collected from these so called auctions are not used for the common benefit of the villagers but misappropriated by certain

individuals. The time has come when these malpractices must stop.

**20.** In Uttar Pradesh the U.P. Consolidation of Holdings Act, 1954 was widely misused to usurp Gram Sabha lands either with connivance of the Consolidation Authorities, or by forging orders purported to have been passed by Consolidation Officers in the long past so that they may not be compared with the original revenue record showing the land as Gram Sabha land, as these revenue records had been weeded out. Similar may have been the practice in other States. The time has now come to review all these orders by which the common village land has been grabbed by such fraudulent practices.

**21.** For the reasons given above there is no merit in this appeal and it is dismissed.

**22.** Before parting with this case we give directions to all the State Governments in the country that they should prepare schemes for eviction of illegal/unauthorized occupants of Gram Sabha/Gram Panchayat/Poramboke/Shamlat land and these must be restored to the Gram Sabha/Gram Panchayat for the common use of villagers of the village. For this purpose the Chief Secretaries of all State Governments/Union Territories in India are directed to do the needful, taking the help of other senior officers of the Governments. The said scheme should provide for the speedy eviction of such illegal occupant, after giving him a show cause notice and a brief hearing. Long duration of such illegal occupation or huge expenditure in making constructions thereon or political connections must not be treated as a justification for condoning this illegal act or for regularizing the illegal possession. Regularization should only be permitted in exceptional cases e.g. where lease has been granted under some Government notification to landless labourers or members of Scheduled Castes/Scheduled Tribes, or where there is already a school, dispensary or other public utility on the land.

**23.** Let a copy of this order be sent to all Chief Secretaries of all States and Union Territories in India who will ensure strict and prompt compliance of this order and submit compliance reports to this Court from time to time.

**24.** Although we have dismissed this appeal, it shall be listed before this Court from time to time (on dates fixed by us), so that we can monitor implementation of our directions herein. List again before us on 3.5.2011 on which date all Chief Secretaries in India will submit their reports.

**Appeal dismissed.**

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**SUPREME COURT OF INDIA**

**Before: R.V. Raveendran & A.K. Patnaik, JJ.**

Civil Appeal No.804 of 2011

Decided on: 19.01.2011

[Arising out of SLP [C] No.8419 of 2009]

U.G.Hospitals Pvt. Ltd.

Appellant

Versus

State of Haryana and others

Respondents

**Haryana Urban Development Authority Act, 1977 (13 of 1977),**